

203-011435-005

~~APL/MLL~~ APL/MLL/LYKES SPACE CHARTER
AGREEMENT
FMC AGREEMENT NO. 217-011435

1st 2nd Revised Page No. 3

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the ~~APL/MLL~~ APL/MLL/LYKES SPACE
CHARTER AGREEMENT (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit each of the Parties to it to achieve efficiencies
and economies in their respective services offered in the Trade (as hereinafter defined) covered
by the Agreement, all to the benefit of the Parties and the shipping public.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement (hereinafter "Party" or "Parties") are:

1. a) AMERICAN PRESIDENT LINES, LTD.

1111 Broadway

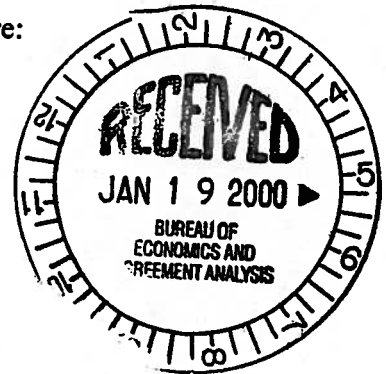
Oakland, California 94607 USA

- b) APL CO. PTE LTD

456 Alexandra Road, #06-00

Singapore 119962, Republic of Singapore

(hereinafter, both of said entities are referred to jointly as "APL")



2. MEXICAN LINE LIMITED

401 East Jackson Street

Tampa, Florida 33602

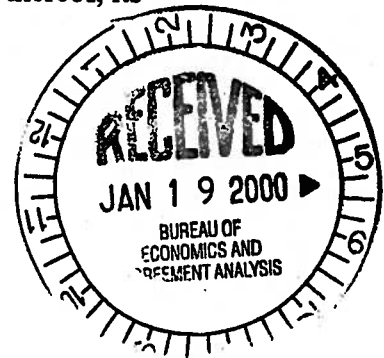
3. LYKES LINES LIMITED, LLC

401 East Jackson Street, Suite 300

Tampa, Florida 33602

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The Agreement covers the trades and various subtrades between ports and points in the Far East, the Indian Subcontinent and the Middle East, and ports in the states of California and Washington in the United States and interior and coastal points in the United States via such U.S. ports. The "Far East, Indian Subcontinent and Middle East" is defined to include Japan, Siberia, Korea, People's Republic of China, Taiwan, Hong Kong, Macao, Thailand, Democratic Kampuchea (Cambodia), Vietnam, Singapore, Malaysia, Laos, Burma, Brunei, Philippines, Sri Lanka, Indonesia, Australia, New Zealand, India, Pakistan, Bangladesh, the United Arab Emirates, and Saudi Arabia. "United States" means the several states thereof, its commonwealths, territories and possessions.



amendment of the Agreement pursuant to the Shipping Act of 1984 and subject to the approval of MarAd, if required.

ARTICLE 8: VOTING

All actions taken pursuant to this Agreement shall require mutual agreement of the Parties.

ARTICLE 9: DURATION AND TERMINATION OF AGREEMENT

(a) Effective Date and Term

This Agreement shall take effect as of the date the Agreement may become effective pursuant to the Shipping Act of 1984 and shall continue in effect unless or until this Agreement is terminated upon not less than a one year prior written notice, provided that no such notice may be given before ~~August 30, 1998.~~ December 31, 2000.

(b) Termination

(1) ~~A Party may, as hereinafter provided, withdraw from this Agreement in the event that, after consultation as required hereinafter, the Parties are unable to agree from time to time upon rate policies or actions reflected in the publication of tariff rates and service items in the Trade.~~



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~~Either Party may seek consultation and the Parties shall thereafter promptly endeavor in good faith to resolve their differences. If, within three (3) months of the date of such request, the Parties fail to reach agreement as to the tariff rate or service item in dispute, or to exceptions therefrom, the Party having requested consultation may withdraw from this Agreement upon three (3) months prior written notice.~~

(2)(1) If any government or agency thereof imposes upon APL or MLL or LYKES any restriction or fails to grant or withdraws any required approval, which restriction, or the absence of which approval, would have a material adverse effect upon either Party, then either Party may terminate the Agreement upon not less than three (3) months prior written notice.

(3)(2) Either Party may terminate the Agreement at any time immediately by serving written notice thereof on the other Party if the other Party files, or has filed against it, proceedings under bankruptcy, insolvency or other similar laws.

(4)(3) The FMC shall be promptly notified in writing following the termination date of this Agreement.

ARTICLE 10: APPLICABLE LAW



ARTICLE 12: NON-ASSIGNMENT

Neither Party shall assign its rights or delegate its duties under this Agreement to any other person or entity without the prior written consent of the other Party.

ARTICLE 13: NOTICES

All notices pertaining to the Agreement, except as the Parties may otherwise provide, shall be sent by telex or facsimile transmission and confirmed by first class mail, postpaid. Mail shall be addressed as follows:

1. c/o APL LIMITED

1111 Broadway

Oakland, California 94607
2. MEXICAN LINE LIMITED

401 East Jackson Street

Tampa, Florida 33602

Attn: Executive Director
3. LYKES LINES LIMITED, LLC

401 East Jackson Street, Suite 300

Tampa, Florida 33602



between them contemplated hereby to a mutually satisfactory arrangement which permits the same or substantially similar practices provided for herein to be continued in compliance with all federal and state antitrust, shipping and other laws. If, after full consultation, this objective cannot be met in the good faith opinion of either party, that party may terminate this Agreement upon not less than three (3) months prior written notice.

ARTICLE 15: UNDERTAKING WITH RESPECT TO STOCK TRANSACTIONS

~~(a) Both of the parties to this Agreement agree that, during the term of this Agreement and for a period of one (1) year after the expiration of such term, neither it nor any subsidiary or affiliate, acting alone or as part of a group, will acquire, or offer to agree to acquire, directly or indirectly, by option or otherwise, more than one percent (1%) of the outstanding voting securities of the other party to this Agreement or its direct or indirect parent, or otherwise seek to influence or control in any manner the management or policies of any such other party or its direct or indirect parent (other than in connection with the matters contemplated by this Agreement), without the prior written consent of such other party.~~



(b) ~~If there is a change in control of a party, or any person or entity that directly or indirectly controls that party, such change of control shall be deemed a breach of that party's obligations under this Agreement permitting the other party to terminate the Agreement for cause under Article 9.2.b. A change in control is defined for these purposes as the acquisition by a person or entity, other than a subsidiary or an affiliate of the party that has not itself undergone a change in control, or control of 30% or more of the beneficial ownership of the party. An affiliate is defined as a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the party.~~

ARTICLE 16: SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or agents.

AMERICAN PRESIDENT LINES, LTD.

TRANSPORTACION MARITIMA
MEXICANA, S.A. de C.V.

By: _____
J. Hayashi
Its: President

By: _____
Francisco Lopez Barredo
Its: President

